

**COUNTY OF SAN LUIS OBISPO BOARD OF SUPERVISORS
AGENDA ITEM TRANSMITTAL**

(1) DEPARTMENT Public Works	(2) MEETING DATE 9/9/2014	(3) CONTACT/PHONE Diana Haines, Utility Coordinator (805) 781-4776	
(4) SUBJECT Hearing to consider a resolution to establish Underground Utility District No. 32 along South Bay Boulevard between Turri Road and Morro Bay city limits north of the Town of Los Osos and approve a Memorandum of Understanding with the City of Morro Bay to identify the project management authority for the portion of Utility District No. 32 located within the Morro Bay City Limits and finding that the District is exempt from Section 21000 et seq. of the California Public Resources Code (CEQA). District 2.			
(5) RECOMMENDED ACTION It is recommended that the Board: <ol style="list-style-type: none"> 1. Adopt the attached resolution establishing the formation of the South Bay Boulevard Underground Utility District No. 32 along South Bay Boulevard between the City of Morro Bay and Town of Los Osos and finding that the District is exempt from Section 21000 et seq. of the California Public Resources Code (CEQA); and 2. Approve the attached Memorandum of Understanding with the City of Morro Bay identifying the project management authority for the portion of Utility District No. 32 located within the Morro Bay City Limits. 			
(6) FUNDING SOURCE(S) California Public Utilities Commission Tariff Rule 20A credits, Public Works ISF Reserves	(7) CURRENT YEAR FINANCIAL IMPACT \$85,000.00	(8) ANNUAL FINANCIAL IMPACT N/A	(9) BUDGETED? N/A
(10) AGENDA PLACEMENT <input type="checkbox"/> Consent <input type="checkbox"/> Presentation <input checked="" type="checkbox"/> Hearing (Time Est. <u>15 min.</u>) <input type="checkbox"/> Board Business (Time Est. <u> </u>)			
(11) EXECUTED DOCUMENTS <input checked="" type="checkbox"/> Resolutions <input type="checkbox"/> Contracts <input type="checkbox"/> Ordinances <input type="checkbox"/> N/A			
(12) OUTLINE AGREEMENT REQUISITION NUMBER (OAR) N/A		(13) BUDGET ADJUSTMENT REQUIRED? BAR ID Number: N/A <input type="checkbox"/> 4/5 Vote Required <input checked="" type="checkbox"/> N/A	
(14) LOCATION MAP Attached	(15) BUSINESS IMPACT STATEMENT? No	(16) AGENDA ITEM HISTORY <input type="checkbox"/> N/A Date: 8/12/14, #1	
(17) ADMINISTRATIVE OFFICE REVIEW <i>Nikki J. Schmidt</i>			
(18) SUPERVISOR DISTRICT(S) District 2			

Reference: 14SEP09-H-2

County of San Luis Obispo



TO: Board of Supervisors

FROM: Public Works
Diana Haines, Utility Coordinator

VIA: Jeff Werst, Design Division Manager

DATE: 9/9/2014

SUBJECT: Hearing to consider a resolution to establish Underground Utility District No. 32 along South Bay Boulevard between Turri Road and Morro Bay city limits north of the Town of Los Osos and approve a Memorandum of Understanding with the City of Morro Bay to identify the project management authority for the portion of Utility District No. 32 located within the Morro Bay City Limits and finding that the District is exempt from Section 21000 et seq. of the California Public Resources Code (CEQA). District 2.

RECOMMENDATION

It is recommended that the Board:

1. Adopt the attached resolution establishing the formation of the South Bay Boulevard Underground Utility District No. 32 along South Bay Boulevard between the City of Morro Bay and Town of Los Osos and finding that the District is exempt from Section 21000 et seq. of the California Public Resources Code (CEQA); and
2. Approve the attached Memorandum of Understanding with the City of Morro Bay identifying the project management authority for the portion of Utility District No. 32 located within the Morro Bay City Limits.

DISCUSSION

The California Public Utilities Commission (CPUC) Tariff Rule 20A/32 program provides for conversion of overhead utility facilities to underground facilities. Over the past 35 years, the County has worked with the utility companies to convert more than 25 specific areas by establishing underground utility districts, funded in part or in total, from credits provided under the Tariff Rule 20A/32 program.

Currently, the County has two underground district projects in a project development phase with construction planned in 2015 by the utility companies. These districts are located along Los Osos Valley Road in Los Osos and along Route 58 in Santa Margarita. As these projects continue to progress, sufficient allocations remain suggesting the County Tariff Rule 20A Program consider additional districts.

Sites for future underground utility districts have been identified in the attached "Priority List Recommendation for Underground Utility Districts", which was adopted by your Board on December 18, 2007. The prioritized list originated from the County Underground Utility Coordination Committee (UUCC), which was formed by your Board in 1976.

The County UUCC has proposed to continue on the priority list with the establishment of Underground Utility Districts along San Luis Street between San Rafael Street and First Street in the town of Avila Beach, and along South Bay Boulevard between Turri Road and Chorro Creek Bridge. These proposed projects would convert the overhead utilities (electric, phone, and cable TV) to underground.

For the proposed Underground Utility District No. 32, the overhead to underground utilities conversion program involves PG&E, AT&T and Charter Communications companies, who are responsible for the design, management and construction of the project. Funding for the project is through the California Public Utilities Commission Tariff Rule 20A/32 allocations, and specific utility company budgets.

The County is the agency authorized to oversee the formation of the District as required by the appropriate County Code Section 13.50. According to Tariff 20A/32, an underground utility district is identified by a local governing agency in cooperation with all affected utility companies and undergrounds said utilities in the general interest of the public for one or more of the following reasons, with specific application to Underground Utility District No. 32 (UUD32) noted:

- 1) Such undergrounding will avoid or eliminate an unusually heavy concentration of overhead electric facilities;
UUD32 - N/A
- 2) The street or road or right-of-way is extensively used by the general public and carries a heavy volume of pedestrian or vehicle traffic;
UUD32 - South Bay Blvd has an average daily traffic volume of 14,560.
 - South Bay Blvd is a popular route for local bicycle clubs to use as an alternative to riding along the highway and stay close to the scenic coastal area
- 3) The street or road or right-of-way adjoins or passes through a civic area or public recreation area or an area of unusual scenic interest to the general public;
UUD32 - South Bay Blvd is immediately adjacent to the Morro Estuary Natural Preserve and its 800-acre wetland which is home to dozens of endangered species.
 - Public recreation areas include a public trailhead to open space areas, a public state park, and bike way.
 - Overhead power and communication lines create a visual congestion which interferes with the view of the estuary.
- 4) The street or road or right-of-way is considered an arterial street or major collector as defined in the Governor's Office of Planning and Research General Plan Guidelines.

UUD32 - South Bay Blvd meets the General Plan Guidelines definition for a Minor Arterial per Caltrans Functional Classification Map 8S12 (attached).

As identified in the proposed District Boundary map to the resolution, a portion of the proposed Utility District No. 32 is located within Morro Bay City Limits. Rather than stopping the district boundary at the actual City Limits the proposed boundary extends to the north side of the Chorro Creek Bridge. Though not necessary, undergrounding the overhead utility segment along South Bay Blvd into City limits is aesthetically sensible and ensures uniform and functional facilities.

In order to establish a utility district within the City limits, a Memorandum of Understanding (MOU) was drafted to outline the role and responsibilities of both the County and City of Morro Bay. On July 6, 2014 the City agreed to the MOU and followed up with their specific role and responsibilities on August 12, 2014 by adopting Resolution 55-14 which describes the formation of the South Bay Blvd Underground Utility District – City Area. Under the MOU, the County will provide credits under the Tariff Rule 20A/32 program to advance the work by PG&E to complete Utility District No. 32 under both jurisdictions.

OTHER AGENCY INVOLVEMENT/IMPACT

The Los Osos Community Services District, City of Morro Bay, all affected utility companies and the Underground Utility Coordination Committee were notified of these matters.

A portion of the proposed district is within the City of Morro Bay. Staff has worked with County Council and the City of Morro Bay to develop an agreement to provide for implementing the district across jurisdictional boundaries. Morro Bay signed the attached MOU and adopted the District within their City Limits on August 12, 2014.

County Counsel has reviewed the resolution as to legal form and effect.

The County Environmental Coordinator has approved the attached Notice of Exemption to CEQA.

FINANCIAL CONSIDERATIONS

Under the Tariff Rule 20A program, the County receives annual credits from the CPUC which equates to a value of approximately \$500,000. As these credits accumulate, these underground utility districts will advance to design and construction. Project development costs are a shared responsibility between the utility company and the County. The County has established reserves, with Service to Special Districts, specifically for the purpose of funding the County's share of project development costs which are estimated to be \$85,000. The department will return to the Board to appropriate these funds in the future as needed.

The attached County engineer's report indicates the estimated cost to affected utility companies, the County and owners of the property included within the boundary. The cost estimates for the utility companies have been provided by each utility and may not reflect the final cost to the utility at the end of the project. The estimated costs to the County are based off the estimated time and effort in County staff time to fulfill agency responsibilities for the project including, but not limited to, some

project management and right-of-way costs. There are no service conversions anticipated for this underground district, and there will therefore be no connection charges or standard conversion costs to the affected property owners.

RESULTS

Approval of the recommended action will result in the formation of the Underground Utility District No 32, resulting in the conversion of overhead utility facilities within the area of Los Osos and Morro Bay and provide funding to cover the costs incurred for project management, easements and other agency responsibilities required to complete the undergrounding projects. Establishing this Underground District and implementing the installation of the overhead utility lines underground will help create more livable communities in these areas.

File: CF 390.201.01 Los Osos #32

Reference: 14SEP09-H-2

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ATTACHMENTS

1. Vicinity Map
2. Priority List Recommendation for Underground Utility Districts for Consideration at December 18, 2007 Meeting
3. Excerpt from Governor's Office of Planning and Research General Plan Guidelines
4. Caltrans Functional Classification Map 8S12
5. Report by Director of Public Works for Underground Utility District at South Bay Boulevard North of the Town of Los Osos District No. 32
6. Memorandum of Understanding
7. Resolution Establishing Underground Utility District No. 32 at South Bay Boulevard between Turri Road and Morro Bay City Limits North of the Town of Los Osos Supervisorial District No. 2
8. Notice of Exemption (CEQA)